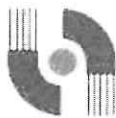


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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2016/2017

BKE2014 – KNOWLEDGE ECONOMY

(All sections / Groups)

2 JUNE 2017

9.00 a.m. - 11.00 a.m.

(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **FIVE (5)** printed pages with **FOUR (4)** structured questions only.
2. Attempt **ALL** of the questions. All questions carry equal marks, and the distribution of marks for each sub-question is given.
3. Please print all your answers in the Answer Booklet provided.

Question One (25 marks)

- (a) Explain how knowledge is/ was used in the primitive economy, industrial economy, and information economy, and knowledge economy. (9 marks)
- (b) Summarise the vital elements of the knowledge economy, based on the definitions of 'knowledge economy' that you have learnt in this subject. (6 marks)
- (c) Discuss the impact of the knowledge economy on a nation's resources and Total Factor Productivity (TFP) growth rate. (10 marks)

Question Two (25 marks)

- (a) Explain the 'Knowledge Content Measurement Framework' according to the Basic Indicators of a Knowledge Economy, from the MYKEII (2009) report by Malaysia's Economic Planning Unit. (12 marks)
- (b) (i) Explain the 'political economy of knowledge'. (3 marks)
- (ii) "A host of new technologies developed only since the 1970s" including genetic experiments, test-tube human conception, recombinant DNA and embryonic stem cells; genetically engineered foods, neurogenetics and genetic engineering, and reproductive cloning and the reconstruction of the human ancestral genome.
- Describe how the above new technologies affect the political economy of knowledge. (6 marks)
- (c) Examine the **TWO (2)** categories of social engineering attacks. (4 marks)

Continued...

Question Three (25 marks)

- (a) Explain what happens if property right is established for something that used to be a non-rival good such as a mathematical formula.

(12 marks)

- (b) To lower costs, firms outsource back-office functions such as Information Technology (IT) support, and business processes such as accounting and human resources.

Examine in detail this phenomenon of outsourcing in terms of the **reasons** and **impacts** on firms and countries involved in this.

(13 marks)

Case Study (25 marks)**Digital economy to spur Sarawak's growth**

A *kek lapis* [layer cake] seller operates her business from a hamlet in the Simunjan division, but her clientele for the colourful layered cake come from as far as Mumbai, India; a villager supplies produce from his banana farm in Serian to customers residing across the South China Sea in China.

These are among the stories shared by Chief Minister Datuk Amar Abang Johari Abang Openg during the Sarawak-level 2050 National Transformation Plan (TN50) dialogue last Saturday.

...

“With the Internet and globalisation, everyone will have an equal opportunity in e-commerce penetration, not only the local market but also as far as Japan,” he told a packed Tunku Abdul Rahman Hall at Universiti Malaysia Sarawak (Unimas) in Kota Samarahan.

...

Although 65 per cent of the state's 2.7 million population are below 45, an age group deemed receptive to technological advancement, there are concerns over the present infrastructure with data communication speed at an average of 40 megabytes per second (mbps) for urban areas and five mbps in rural areas. There were quarters who claimed that such an expansive idea was costly and that the state needed assistance in funding.

Continued...

... [The Chief Minister], however, said Sarawak was prepared to invest RM1 billion to develop and upgrade trunk infrastructure that would increase data connection speed to a rapid two terabytes per second.

Earlier this month, the chief minister approved, on the spot, RM30 million for Tabung Ekonomi Gagasan Anak Bumiputera Sarawak for an incubator programme to help local business start-ups and entrepreneurs to explore growth opportunities offered by the global digital economy.

The incubator will be the initial move to shift Sarawak towards digitising its economy from the present conventional approach, apart from resolving woes among local entrepreneurs in penetrating the global market.

The chief minister is also expected to announce a roadmap for Sarawak to develop a sustainable digital ecosystem at the International ICT, Infrastructure and Digital Economy Conference Sarawak early next month.

...

Adapted from: Povera, A. (2017, March 15). Digital economy to spur Sarawak's growth. *New Straits Times*, pp. 10–11. Kuching. Retrieved from <http://www.nst.com.my/news/2017/03/220909/digital-economy-spur-sarawaks-growth>

Questions

- (a) The Chief Minister of Sarawak, Chief Minister Datuk Amar Abang Johari Abang Openg approved several initiatives to spur Sarawak's digital economy.

Discuss the **TWO (2)** initiatives.

(6 marks)

- (b) Select any of The Knowledge-Based Economy Index (KDI) indicators that are related to the TWO (2) initiatives described in (a). Elaborate your answer.

(9 marks)

Continued...

- (c) “With the Internet and globalisation, everyone will have an equal opportunity in e-commerce penetration, not only the local market but also as far as Japan”
Chief Minister Datuk Amar Abang Johari Abang Openg

Analyse how globalisation and the Internet lead to ‘equal opportunity in e-commerce penetration’ described above.

(10 marks)

End of Paper